

dropped to approximately 13 percent. Similarly, the Postal Service is moving considerably fewer parcels today than 25 years ago. In 1971 the Postal Service handled 536 million parcel pieces and enjoyed a 65 percent share of the ground surface delivery market. Compare this to 1990 when the Postal Service parcel volume had dropped to 122 million pieces with a resulting market share of about 6 percent.

Even the Postal Service's "bread and butter," first-class financial transactions and personal correspondence mail, are beginning to show the effect of electronic alternatives. Financial institutions are promoting computer software to consumers as a method of conducting their billpaying and general banking, while Internet service providers and online subscription services are offering consumers the ability to send electronic messages to anyone in the world or around the corner. Similarly, many of us have become accustomed to the immediacy of the facsimile machine. These new communication technologies all carry correspondence that formerly flowed through the Postal Service. These former sources of revenues supported a postal infrastructure dedicated to the mission of universal service.

This shift in postal revenues will have a negative long-term effect on the financial well being of the Postal Service. Should the service continue to labor under the parameters established by the 1970 act, its inability to compete, develop new products and respond to changing market conditions jeopardizes its ability to continue to provide universal service to the diverse geographic areas of our Nation. We must make adjustments to the Postal Reorganization Act of 1970 which will allow the Postal Service more flexibility in those areas in which it faces competition while assuring all postal customers of a continued universal mail service with the protection of reasonable rates that can be easily calculated and predicted. My legislation meets this goal by replacing the zero-sum game that has driven postal rate-making for the last 25 years with a system that reflects today's changing communication markets.

Mr. Speaker, I propose to allow the U.S. Postal Service the opportunity to make a profit and remove the break-even financial mandate of existing law that promotes the wide, yearly, swings of postal profit and deficit and weeks of negotiations on arcane economic assumptions for ratemaking purposes.

I propose to divide the product offerings of the Postal Service into two primary categories. The first, the "non-competitive mail" category, represents all single piece letters, cards and parcels as well as those classes of users without significant alternatives. The class will utilize a postage rate cap process by which the associated customers can easily determine postal rates. The second category will be the competitive mail category and will include those mail classes, products and services the Postal Service provides through the competitive marketplace. Within this category the Postal Service may set its rates according to market forces subject to an annual audit provided to the Postal Rate Commission to assure that rates are reflective of costs while providing a contribution to the overhead of the U.S. Postal Service. In addition, it would allow the Postal Service freedom to experiment with new offerings for a period of 3 years before

requiring the Postal Rate Commission to permanently place it in either the competitive or non-competitive mail categories.

This legislation grants significant freedoms and flexibility to the Postal Service. Consequently, other changes are needed to reflect this status. I propose to remove the safety net of the U.S. Treasury and the Federal Financing Bank from postal operations and repeal the remaining authorizations for taxpayer appropriations to the Postal Service. Similarly, I propose to apply the anti-trust laws of our Nation to the Postal Service products offered in either the competitive mail or the experimental market test categories. I am also proposing that the Postal Service conduct a demonstration project that will provide us with the data needed to determine the continued necessity of providing the Postal Service with sole access to individual private mailboxes. This bill, Mr. Speaker, will also settle once and for all the nagging problem of an agency's chief law enforcement officer and member of postal management serving as its Inspector General by establishing an independent, Presidentially-appointed, Inspector General for the Postal Service.

The bill enacts stringent reporting requirements to the Congress and to the U.S. Postal Rate Commission by providing the Commission with the ability to issue subpoenas, manage proprietary documentation and procure necessary information. This legislation places significant responsibilities on the Commission and, reflective of that, directs that the Commission will have for the first time its own Inspector General.

My proposal, Mr. Speaker, also increases the penalties for repeated mailings of unsolicited sexually oriented advertising as well as the mailing of hazardous materials and controlled substances. It protects workers on the job by making it a felony to stalk, assault or rob a postal employee. Just this past month we saw a letter carrier killed while on duty in our Nation's capital and we cannot allow those that would harm or rob postal carriers to go without significant punishment. My proposal addresses this serious situation by increasing the penalties for such acts of violence.

I stress that significant areas of current law remain intact. This legislation does not affect the existing collective-bargaining process. However, the subcommittee recognizes that serious problems exist between postal management and labor. To address this serious situation, I propose to form a Presidentially appointed commission made up of non-postal union and corporate representatives as well as those well known in the field of labor-management relations. The commission would be charged with addressing these issues in detail and provide guidance to the Congress and the Postal Service on any needed changes.

IN REMEMBRANCE OF HAROLD WEBSTER WALES

HON. JOHN SHADEGG

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. SHADEGG. Mr. Speaker, I rise today to remember Harold Webster Wales, a longtime friend of mine from the district I represent. I am usually reluctant to single anyone out from

my district for praise because there are many outstanding citizens in the Fourth District of Arizona. However, Hal's expertise in tax law inspired and encouraged me to take actions to ease the burden our tax system places on small businesses and American families.

Harold Webster Wales was born June 23, 1928, in Seattle, WA, and passed away in Phoenix, AZ, on June 1, 1996. Hal was an Air Force veteran, who served his country honorably. He graduated cum laude from Seattle University with a degree in accounting and received his juris doctorate from the University of San Francisco. Admitted to the California and Arizona bars, Hal practiced extensively as a tax and estate planning attorney. He was a recognized authority in these fields, lecturing widely on matters of estate planning, income tax, and charitable organizations.

A member of professional organizations, Hal was active in the community both in his professional and civic life. He was president of the Central Arizona Estate Planning Council, president of the Catholic Social Service, and Arizona chairman of the National Foundation for the March of Dimes. Additionally, Hal served as a board member of the Garsky Wellness Foundation and Camelback Hospital as well as a finance committee member of the Marie Academy and St. Thomas the Apostle Church.

I have always been concerned by the inequities contained within the current Tax Code. However, when I met with Hal last February he spoke of his clients—honest hard-working Arizonans who were being victimized as a result of overburdensome tax regulations and penalties. These tax horror stories as well as his great knowledge and understanding of these issues prompted me to host a public hearing into the subject at the Phoenix City Council chambers on April 3, 1996. His participation and guidance helped me make this hearing a success.

Hal's greatest legacy is his family—his wife, Dorothy; two daughters, Lissa and Mary, grandson, Andrew, three sisters, Joan Wales, Shirley Hctor, Duane Jones; his brother Bill, and aunt, Betty Spence. My most sincere condolences go out to them on this sad occasion.

Mr. Speaker, I plan to continue to fight to reform our Nation's tax system. Whatever success we may achieve will be a result of the tireless effort and wisdom Hal brought to this issue. I owe a great debt to Hal for his knowledge and friendship. His death is a personal loss to me and to the citizens of the Fourth District of Arizona.

PERSONAL EXPLANATION

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1996

Mr. RAMSTAD. Mr. Speaker, I rise today to express my support for an amendment offered by Representative FURSE to the Interior appropriations bill that was voted on last week and would have repealed the emergency timber salvage provisions enacted last summer.

I was in Minnesota on a leave of absence due to illness and unable to be here for the vote, but had I been here I would have voted in favor of Representative FURSE's amendment.